State, Local, and Private Sector Coordination

The nature of American society and the structure of American governance make it impossible to achieve the goal of a secure homeland through federal Executive Branch action alone. The Administration's approach to homeland security is based on the principles of shared responsibility and partnership with the Congress, state and local governments, the private sector, and the American people.

The Department of Homeland Security would coordinate, simplify, and where appropriate consolidate government relations on its issues for America's state and local agencies. It would coordinate federal homeland security programs and information with state and local officials.

The Department would give state and local officials one primary contact instead of many, and would give these officials one contact when it comes to matters related to training, equipment, planning, exercises and other critical homeland security needs. It would manage federal grant programs for enhancing the preparedness of firefighters, police, and emergency medical personnel. It would set standards for state and local preparedness activities and equipment to ensure that these funds are spent according to good statewide and regional plans. To fulfill these preparedness missions, the Department of Homeland Security would incorporate the Department of Justice's Office of Domestic Preparedness, the Federal Bureau of Investigation's National Domestic Preparedness Office, and the Federal Emergency Management Agency's Office of National Preparedness.

United States Secret Service

The primary mission of the United States Secret Service is to protect the President, Vice President, and other national leaders. The Service also contributes its specialized protective expertise to planning for events of national significance (National Special Security Events). In addition, the Service combats counterfeiting, cyber-crime, identity fraud, and access device fraud, all closely tied to the terrorist threat. Under the President's proposal, the Secret Service would report directly to the Secretary of Homeland Security. While the Service would remain intact and not be merged with any other Department function, the Service's unique and highly specialized expertise would complement the core mission of the new Department.

Non-Homeland Security Functions

The Department of Homeland Security would have a number of functions that are not directly related to securing the homeland against terrorism. By incorporating the emergency management mission of FEMA, it would be responsible for natural disasters. Through the Coast Guard, it would be responsible for search and rescue and other maritime functions. By incorporating the INS, it would be responsible for immigration and naturalization services. Through the Secret Service, it would be responsible for fighting counterfeiters. And by incorporating the Customs Service it would be responsible for stopping drug smuggling.

The New Department Would Improve Efficiency Without Growing Government

The Department of Homeland Security must be an agile, fast-paced, and responsive organization that takes advantage of 21st-century technology and management techniques to meet a 21st-century threat. The creation of a Department of Homeland Security would not "grow" government. The new Department would be funded within the total monies requested by the President in his FY 2003 budget already before Congress for the existing components. The cost of the new elements (such as the threat analysis unit and the state, local, and private sector coordination functions), as well as department-wide management and administration units, can be funded from savings achieved by eliminating redundancies inherent in the current structure.

Going forward, increased resources may be required to meet emerging challenges, but by minimizing duplication of effort and lack of coordination we can ensure that any growth is limited to what is absolutely required. By combining and integrating functions that are currently fragmented, the Department of Homeland Security would:

- Enhance operational efficiencies in field units with overlapping missions. For example, the deployment of a cross-trained work force would provide more cost efficient inspection activities at the ports of entry than exist today with three separate units. Integration would allow for a more productive workforce at the agent level and elimination of parallel overhead structures in the field, as well as at headquarters.
- Reduce redundant information technology spending. Development of a single enterprise architecture for the department would result in elimination of the sub-optimized, duplicative, and poorly coordinated systems that are prevalent in government today. There would be rational prioritization of projects necessary to fund homeland security missions based on an overall assessment of requirements rather than a tendency to fund all good ideas beneficial to a separate unit's individual needs even if similar systems are already in place elsewhere.
- Effective management of research and development spending would be facilitated by central control of research and development funding based, again, on overall homeland security priorities.
- **Better asset utilization** could be gained through consolidation and joint, comprehensive capital planning, procurement, and maintenance. This would pertain to boats, vehicles, and planes, as well as property management.
- Consolidated, streamlined grant making would promote targeted, effective programs at the state and local level, stretching the federal dollar further than is possible in the environment of multiple funding sources with sometimes overlapping missions.

In order to respond to rapidly changing conditions, the Secretary would need to have great latitude in redeploying resources, both human and financial. The Secretary should have broad reorganizational authority in order to enhance operational effectiveness, as needed. Moreover, the President will request for the Department significant flexibility in hiring processes, compensation systems and practices, and performance management to recruit, retain, and develop a motivated, high-performance and accountable workforce. When a job needs to be done the Department should be able to fill it promptly, at a fair compensation level, and with the right person. Likewise, employees should receive recognition for their achievements, but in cases where performance falls short, should be held accountable. Finally, the new Department should have flexible procurement policies to encourage innovation and rapid development and operation of critical technologies vital to securing the homeland.

Planning, Transition, and Implementation Process

The planning process for the new Department has already begun. During this period, the Office of Homeland Security will maintain vigilance and continue to coordinate the other federal agencies involved in homeland security. Until the Department of Homeland Security becomes fully operational, the

proposed Department's designated components will continue to operate under existing chains of command.

The formal transition process would begin once Congress acts on the President's proposal and the President signs it into law. Under the President's plan, the new Department would be established by January 1, 2003, with integration of some components occurring over a longer period of time. To avoid gaps in leadership coverage, the President's proposal contemplates that appointees who have already been confirmed by the Senate would be able to transfer to new positions without a second confirmation process.